

FINANCIAL WELL-BEING

University of Maryland

2020 – Issue 6, September

This snapshot discusses financial well-being among first-year students at the University of Maryland (UMD). This work supports UMD's [General Education Program](#)'s goal to help students “establish the ability to thrive both intellectually and materially and to support themselves, their families, and their communities through a broad understanding of the world in which they live and work.”

This report analyzes results from the 2019 Beginning Student Survey (BSS), an annual paper survey administered 8-10 weeks into the fall semester in English 101, University 100 (including Freshman Connection), Honors 100, Gemstone 100, Academy for Innovation & Entrepreneurship 100, and Civicus 181. To develop survey topics, the Campus Assessment Working Group (CAWG) collaborated with the Advancement of Financial Education Alliance, a faculty, staff, and student committee working to establish a centralized resource for financial education.

This snapshot addresses six questions:

- [How do first-year students feel about their financial situation?](#)
- [What are the financial behaviors of first-year students?](#)
- [How do first-year students fund their college education?](#)
- [How do finances affect first-year students' participation in educational opportunities at UMD?](#)
- [How do first-year students think finances will impact their future?](#)
- [Are first-year students interested in improving their financial literacy and, if so, how?](#)

The [last page](#) lists campus resources about financial wellness.

A future snapshot will discuss financial wellness among juniors and seniors and another will use the BSS19 data to analyze student well-being and stressors, including financial stress.

Beginnings Subgroup Members

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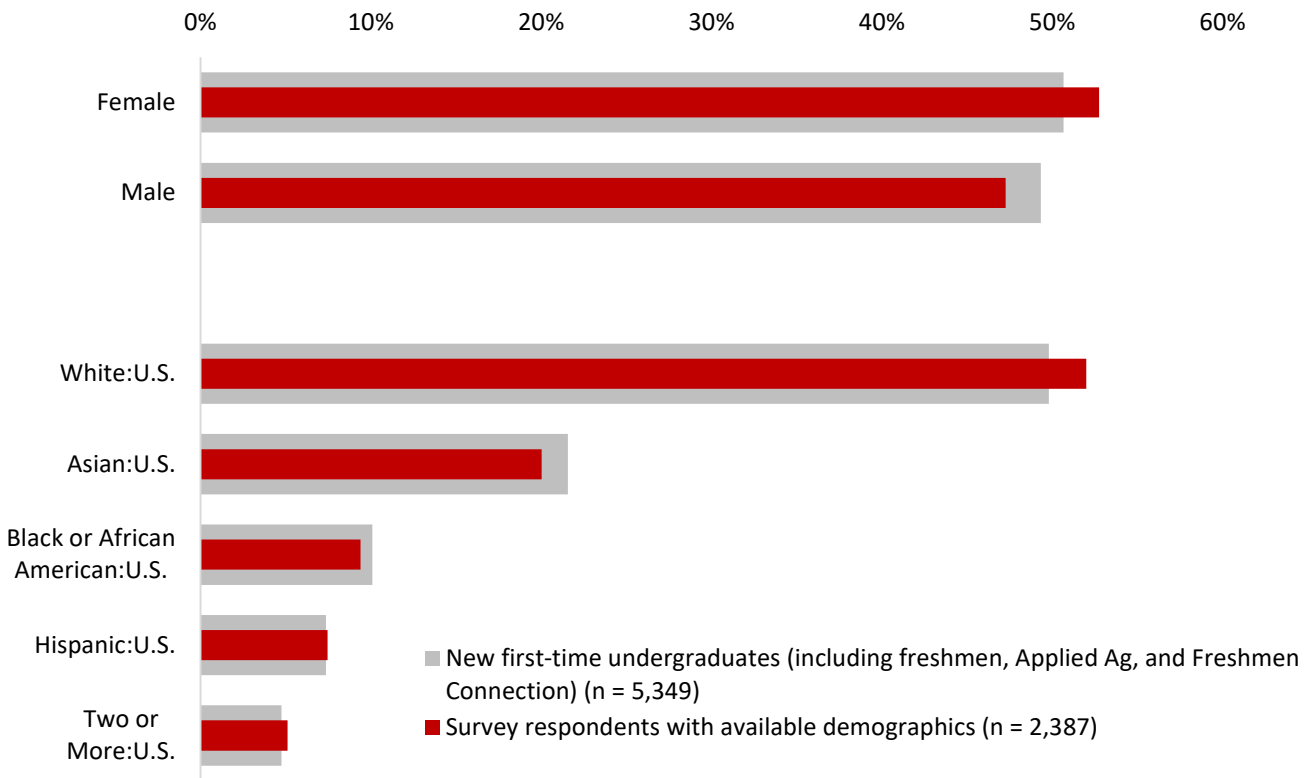
Kristan Skendall, Gemstone Program

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The Campus Assessment Working Group (CAWG) regularly gathers and exchanges information about UMD student and alumni experiences. The group is charged with developing a campus "Culture of Evidence" in which data and assessment can inform campus decision making. Its three subgroups focus on freshman experiences, junior/senior student experiences, and retention and completion efforts. For more information, to view past reports, or to join a CAWG subgroup, please visit <http://ter.ps/CAWG>.

Respondent Demographics



Source: UMD data warehouse

Out of 5,349 new first-time undergraduates, 2,582 completed the BSS. Demographic information was available for 92% ($n = 2,387$) of respondents. The chart above shows that respondents' demographics mirror those of all new first-time students.

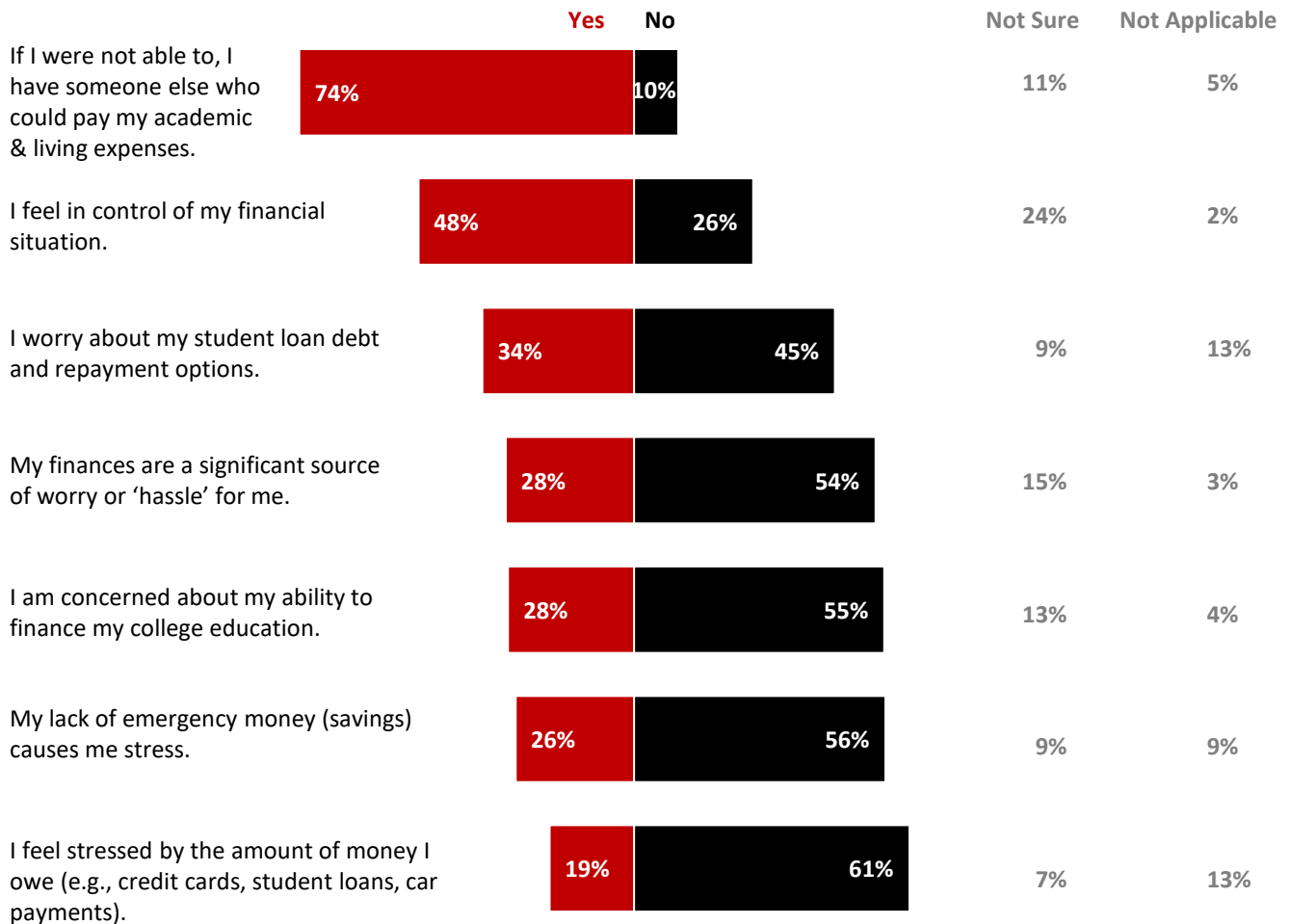
Fewer than 5% of respondents identified as American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, Unknown, or Foreign; they are not included in this graph.

This snapshot only reports on data from survey respondents, not all UMD students. Therefore, use caution when generalizing. Percentages may not sum to 100 due to rounding.

How do first-year students feel about their financial situation?

About half of respondents reported feeling in control of their financial situation, but nevertheless, many worry about their finances.

Indicate whether these statements describe your financial situation.



N = 2,562 – 2,566

- About three out of four respondents reported they have someone who could pay for their academic and living expenses if they were unable to, but one in ten definitively said they did not.
- About one-fourth said they were concerned about their ability to pay for college.
- Similarly, 26% of respondents said they did not feel in control of their financial situation and another 24% said they were “unsure” if they felt in control.

Questions to consider:

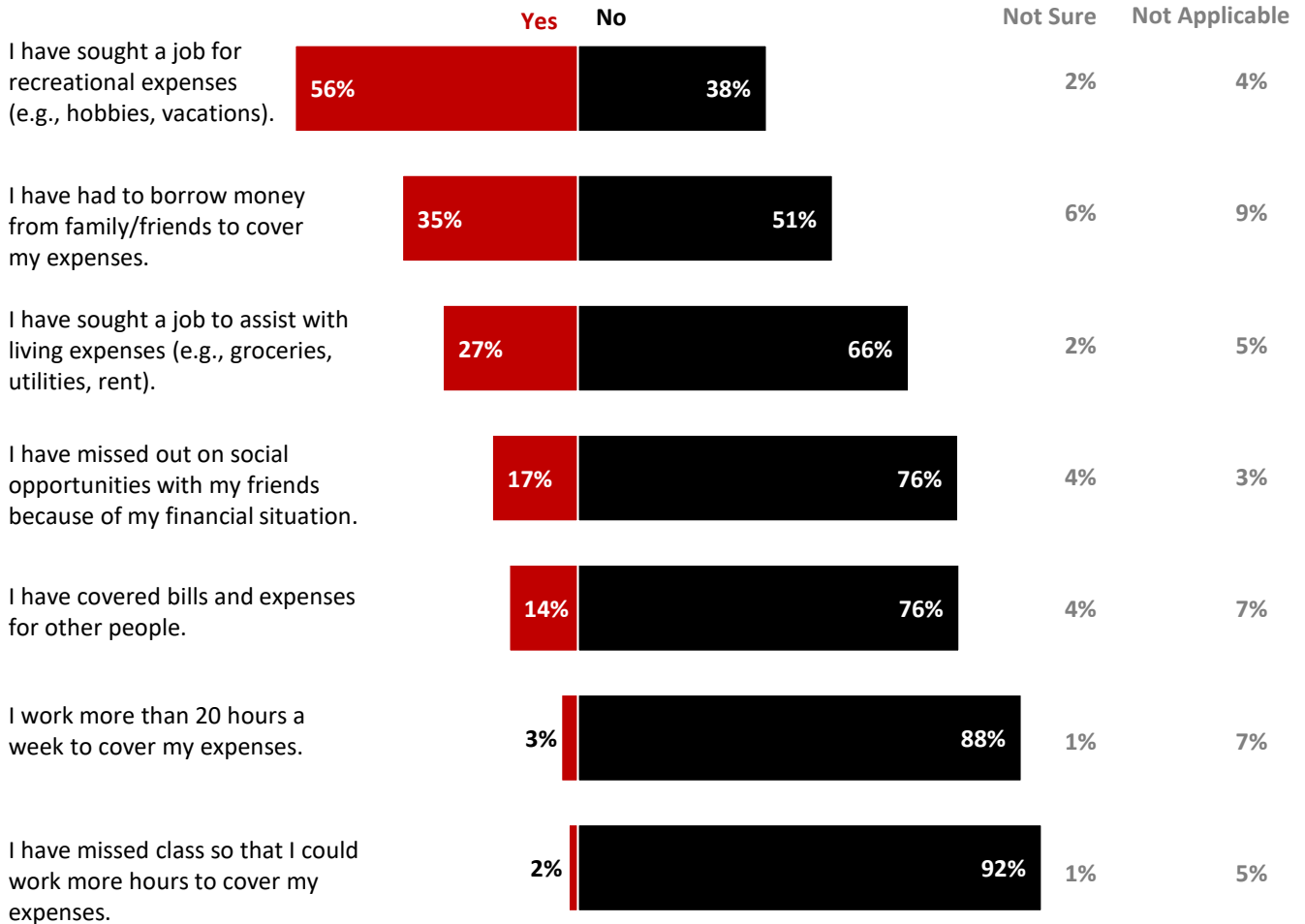
- How can we help students feel in control of their debt and loan repayments?
- How might students interpret the “Not Sure” and “Not Applicable” response options? What circumstances might lead students to choose one of those responses?



What are the financial behaviors of first-year students?

A small percentage of respondents described facing financial challenges.

Indicate whether these statements describe your financial situation.



N = 2,554 – 2,566

- A little over half of respondents sought work to cover recreational expenses and 27% reported seeking work to cover living costs. For a small percentage, work hours interfered with their social lives and academics.
- About one-third of respondents said they had to borrow money to cover their expenses.
- A majority of students did not report missing social activities or class due to their finances.
- Although the majority of respondents said their work hours did not interfere with attending class, 3% (86 students) indicated they work more than 20 hours a week, and 2% (48 respondents) reported they had to miss class for work.

Question to consider:

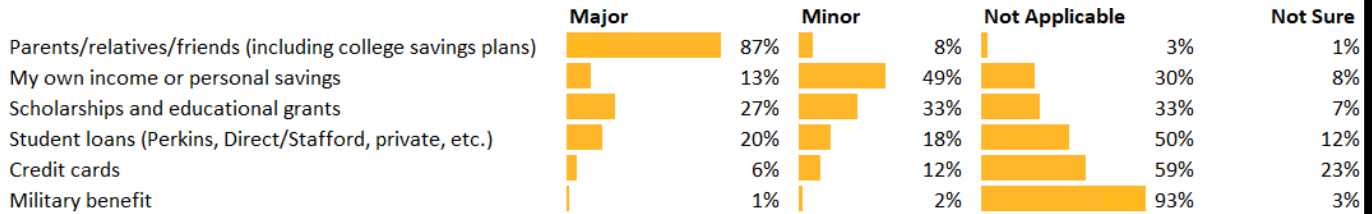
- How can UMD help students balance their academic commitments and other responsibilities?
- What does it mean to cover the bills and expenses for other people? Who might students be covering bills for and what might they be covering?
- What more can we learn about the circumstances that lead students to miss class for work?



How do first-year students fund their college education?

Almost all respondents identified parents, relatives, and/or friends as a major source of funding for college.

Indicate the degree to which each of the following is a source of funding for your college education:

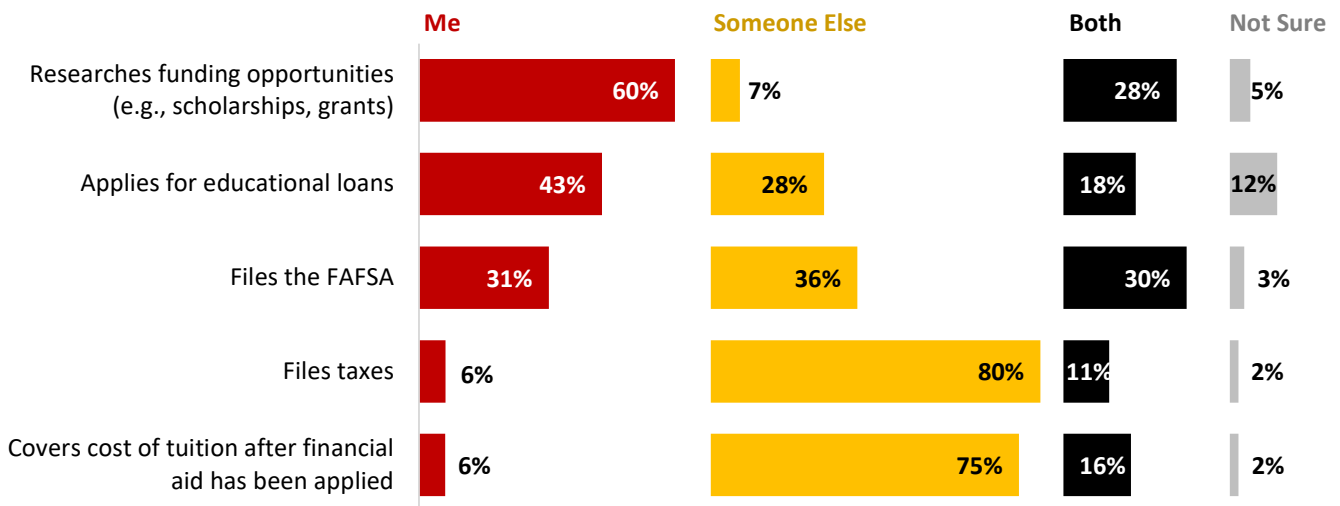


N = 2,565 – 2,573

- Fewer respondents said scholarships (27%) or loans (20%) were a major funding source than parents, relative, and/or friends (87%).

Respondents were most likely to report taking individual responsibility for researching funding opportunities, such as scholarships and grants.

Indicate who does the following on your behalf:



N = 2,562 – 2,571

- Under half of respondents (43%) said they were responsible for applying for educational loans on their own, whereas 46% said they had help from another person or were partially responsible.
- About one-third of respondents each reported they filed the FAFSA, that someone else filed it, or that they worked on it with someone else.
- First-year respondents were least likely to report filing their taxes or covering tuition on their own: 80% said someone else filed their taxes and 75% said someone else covered tuition.

Questions to consider:

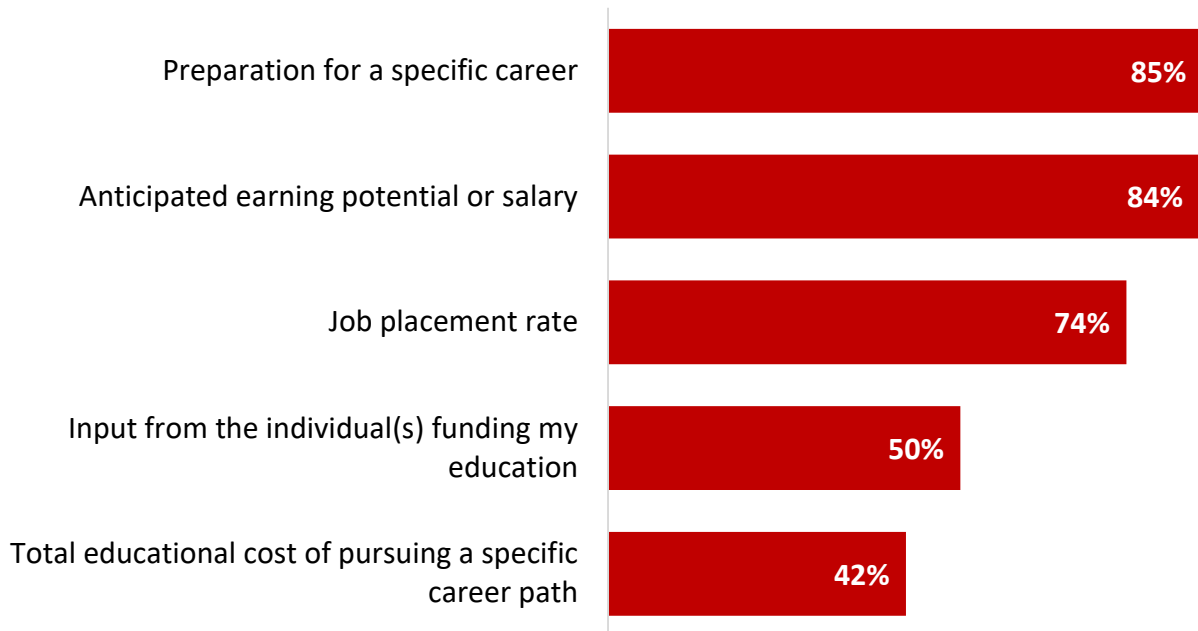
- Where does the main financial burden lie for financing college (e.g., with students, their families)?
- How can UMD support students who don't have help from others with the financial aid process?
- When students said they were responsible for an activity, how involved were they?



How do finances affect first-year students' participation in educational opportunities at UMD?

Overall, respondents were interested in majors they believe offer financial stability.

The following are STRONG financial reasons I will consider or have considered in selecting a major (select all that apply):



N = 2,567 – 2,573

Response options: Yes, No

- When asked about choosing a major, 85% of respondents identified preparation for a specific career as a strong factor in selecting a major and 84% identified potential post-graduation earnings as a strong factor.
- In comparison, about half of respondents (42%) identified the total education cost of pursuing a particular career path as a strong reason.

Questions to consider:

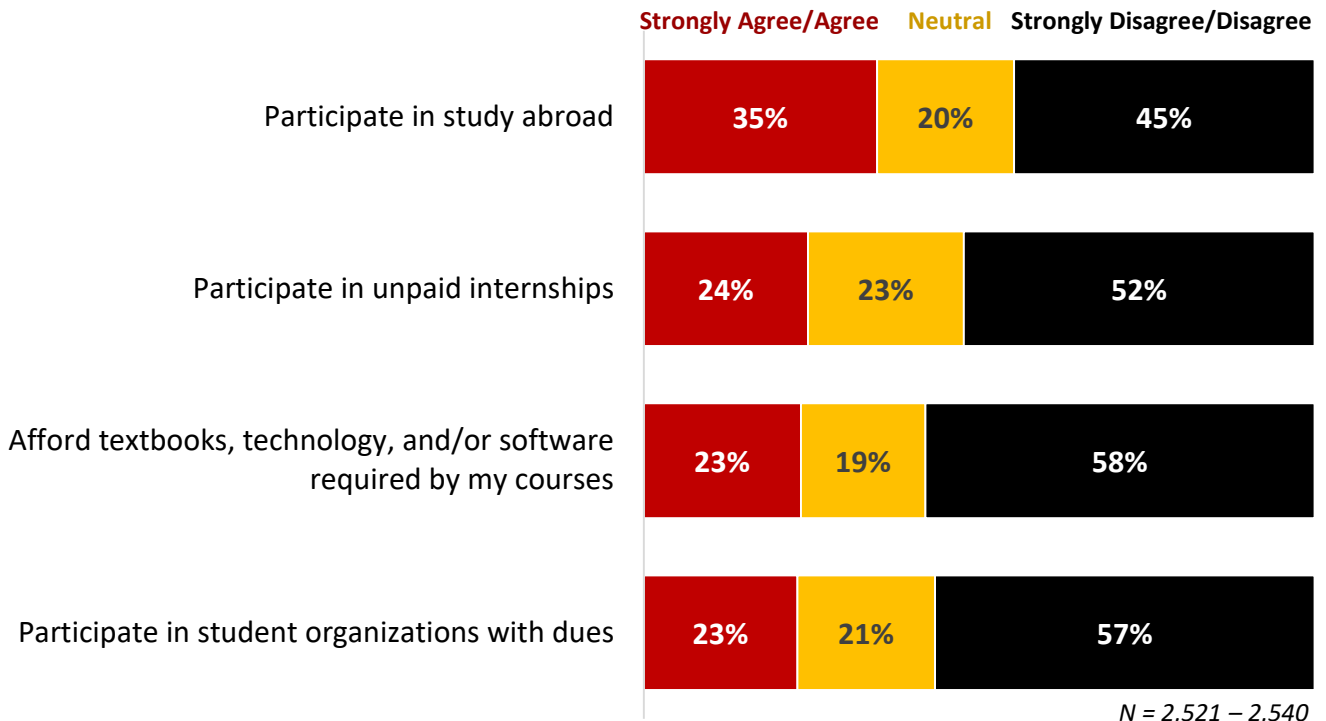
- Half of respondents said input from individuals funding their education matters in their decision about their major. What conversations did students have with those individual(s)?
- Where are first-year students getting information about earning potential for different majors?
- How much debt do first-year students expect to leave college with? How much debt do they think is an acceptable or manageable amount, especially in relation to potential earnings?



How do finances affect first-year students' participation in educational opportunities at UMD?

While a majority of respondents thought finances would not limit their ability to participate in activities, some had concerns.

I am concerned that financial limitations will impact my ability to...



- Respondents were most likely to agree that financial limitations might impact their ability to study abroad (35% agreed/strongly agreed).
- Nearly one in four respondents were concerned about affording classroom essentials, such as textbooks, technology, and/or software required for their classes.
- We compared the average responses from students who said their funding sources for college included scholarships and grants, student loans, and/or their own income and savings to those who said these funding sources were not applicable (see page 5 for these items). The results from this statistical analysis, conducted using a t-test, are not shown here, but indicate that respondents who reported using scholarships/grants, loans, and/or their own income expressed more concern about their ability to participate in educational activities than their counterparts.

Questions to consider:

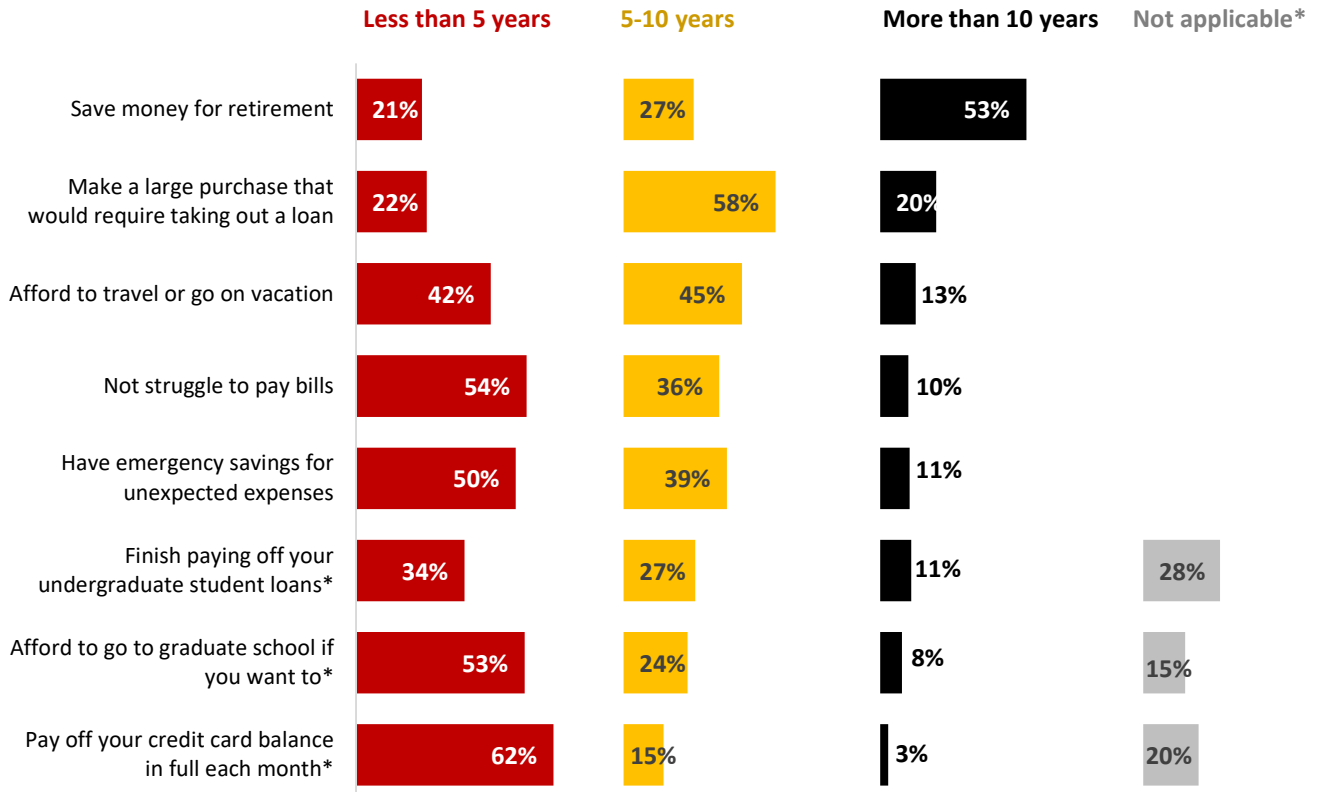
- How do first-year students' expectations about their ability to participate in certain activities compare to the reality juniors and seniors experience?
- For students who are employed, how does that impact their financial concerns? Are they more or less likely to feel able to participate in educational activities?
- How many students take unpaid internships, despite concerns about affording it? Conversely, how many choose to work a seasonal position rather than taking an unpaid internship?



How do first-year students think finances will impact their future?

Most respondents anticipated it would take them at least five years post-graduation to meet certain financial benchmarks, and a few thought it would take over 10 years.

Which best describes how long after you earn your bachelor's degree it will take to:



* "Not applicable" was an additional response option for the last three items

N = 2,545 – 2,569

- Almost one-fifth of respondents believed they would be able to set money aside for retirement within five years of graduating and 53% anticipated taking at least 10 years post-graduation.
- Similarly, 22% of respondents said they would be able to make a large purchase requiring a loan (e.g., house, car) within five years of graduating.

Questions to consider:

- How can UMD help students feel confident about meeting financial benchmarks?
- For those who selected N/A, do those responses indicate students' desire to avoid the financial responsibilities of credit cards, loans, and/or graduate school? Or might these students not need these options?
- What is the university's role in educating students about the implications of their financial choices?



Are first-year students interested in improving their financial literacy and, if so, how?

Most students (84%) expressed interest in **improving their money management skills**.



N = 2,563

Respondents were most interested in using a campus-sponsored website to learn about personal finance.

If offered, I would....

	Yes	No	Not Sure
Utilize resources on a campus-sponsored website about personal finance.	60%	21%	19%
Participate in an online class (for-credit) about personal finance.	52%	32%	16%
Participate in a traditional class (for-credit) about personal finance.	49%	33%	17%
Participate in an online training or workshop (not-for-credit) about personal finance.	40%	41%	19%
Participate in an in-person training or workshop (not-for-credit) about personal finance.	34%	44%	22%

N = 2,556 – 2,559

- In addition to being interested in using a UMD website, about half of respondents said they would participate in an online or face-to-face credit-bearing course.
- This preference pattern was similar regardless of respondents’ level of interest in improving their money management skills (descriptives not pictured here). Even of those who were not interested in improving their money management skills, about a third were still willing to participate in these educational opportunities.

Question to consider:

- What financial behaviors and knowledge would we hope to see students display by the time they graduate?
- What delivery method for financial literacy education would be most effective?
- What do the terms “financial literacy” and “personal finance” mean to first-semester students? How could that inform educational opportunities?



Resources

Courses:

- BSOS201 (Ensuring your Financial Future Through Stock Investing) is undergoing the course approval process as of spring 2020. If approved, the course would introduce students to investing and trading.
- FMSC111 (Credit Cards and College Students) is a one-credit course about money management, with an emphasis on credit and credit cards.
- FMSC341 (Personal and Family Finance) discusses financial planning, savings, investments, insurance, income taxes, housing, and use of credit.
- UNIV362 (Designing Your Life after College) helps students anticipate and prepare for changes in finances, social life, health, and career dynamics they may experience after graduating.
- The [Intentional Life Lab](#) at the Smith School of Business offers programming and courses about personal and professional wellbeing and success, including financial wellness. As of this Snapshot's publication, no courses related to financial health were listed, but they may be offered in the future.

Financial literacy workshops: The Graduate School posts videos of their [workshops](#). University Libraries hosts a series called [Money Talks](#). M&T Bank in the Adele H. Stamp Student Union – Center for Campus Life offers [financial education workshops](#).

Websites: [Office of Student Financial Aid](#) and [University Libraries](#) host sites with resources on budgeting, financing degrees, credit, spending, saving, banking, and investing. The [Well in a Shell blog](#) features posts about financial wellness.

Student groups: The [Financial Literacy Outreach and Training \(FLOAT\)](#) program is a student-run organization in which members participate in coursework on personal finance in the fall and volunteer with local middle schools to teach personal finance concepts in the spring. To participate, students must enroll in ECON489L in the fall and ECON489C in the spring. In addition, students can volunteer to help prepare income tax returns for UMD students and staff and community members through the Smith School of Business's [Master Service Club](#).

Career services: UMD's [Career Center](#) provides career assistance to all students.

Other resources: The U.S. Department of Education [College Scorecard](#) provides data on debt and first-year earnings for college graduates by school and by field of study.

Questions to consider:

- How can the university help students become more aware of these resources?
- What additional programming and/or resources can UMD provide to help students manage their financial stress?

